

AIR

EOBA-12717

SECRET

MAR 18 1954

Chief, RE

Chief, Berlin Operations Base

Info: COM
CABRAID

Operational/CART/CAIRO/CARBOHYDRATE

CARBOHYDRATE Progress Report

REF: A. EGBA-10831
B. EGBA-10724
C. SBRIN-2897
D. EGCA-33676
E. EGBA-11637
F. EGCA-35506
G. SBRIN-2571
H. DIR-32918

SYNOPSIS: This report covers the period from the submission of the last progress report up to and including 1 March 1954, pointing out the results of the Surité investigation, as well as other matters directly affecting the activity and security of CARBOHYDRATE and CAIROIT.

1. After the receipt of intercepts which indicated that CARBOHYDRATE was in some fashion in contact with the Surité, as reported in reference "B" above, it was decided tentatively that EGB/CART would accept the explanations which CARBOHYDRATE proffered, but felt that whatever consideration might be forthcoming from an LCPLUTTER would be desirable.

a. As the result of this decision, [] LCPLUTTERED CARBOHYDRATE on 14 January 1954, with results which were reported in references "C", "D", and "E" above.

b. Subsequently CARBOHYDRATE has been asked in a casual fashion whether or not he has heard anything further from GALINET or other members of the Surité, to which he has steadfastly replied in the negative. It is realized that his statements alone are no concrete evidence of the cessation of such contact, yet there has been no further overt indication that such a situation continues to exist.

Approved by: _____

9 March 1954

Distribution:

3 - RE
3 - COM
1 - BOB
1 - CABRAID

SECRET

COPY

18 Mar 54

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES/METHOD/EXEMPTION 382B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2006

c. After a careful evaluation of all factors involved, BOB/CART did not feel that the immediate removal of CARBOHYDRATE from CABINOT was required, nor that for the time being there were specific measures to be undertaken which could further clarify this unfortunate situation. It should be stressed that all ramifications of this situation were carefully considered, and undue weight was not given to the results of the LOMUTTER examination.

d. In order to correct any false impression conveyed by reference ^{up} with respect to the undersigned's elaborate comments on CARBOHYDRATE's LOMUTTER, it should be pointed out that CART neither accepted the LOMUTTER results as "final clearance" nor did it interpret them to constitute "the examiner's approval of CARBOHYDRATE's continued use with CABINOT". Any comments which were forwarded simply had the purpose of pointing out the informal discussion and the specific comments brought out during it, which ensued at BOB shortly after the termination of this test.

2. Since the date of the LC-LUTTER, normal meetings with CARBOHYDRATE have continued, and on the surface all appears to be well. There was for a time some reluctance on his part to call CALCINE regularly, which he attributed to the somewhat brusque reception he received, but continued prodding by the case officer has overcome this obstacle, and of late he has been calling quite regularly to report whether or not leads or other interesting material have turned up.

3. One real contribution which ARSOMYRATI has made to the improvement of CABINOT security was the clarification of the situation concerning CABINOT mailers. On 12 January 1954, he reported that some time before the central distributing office had been abolished because of compromise, and that as a result mailers were coming to the CABINOT establishment in order to pick up their materials. At the same time he stressed the losses which CABINOT had suffered among its mailers, and pointed out the desirability for arranging alternate methods. Partially as a result of this recommendation from CARBOHYDRATE, mailers no longer come to the CABINOT buildings but are met at pre-arranged locations by the CABINOT bus where their letters are given to them for delivery into East Berlin or the DDR.

4. A brief crisis occurred subsequently when two alleged CCSI Kripo officers, SCHMIDT and MANCKE, appeared at CABINOT in order to make inquiries concerning the SE in Goerlitz, Leipziger and Magdeburg. It subsequently developed that the two gentlemen in question were serving as liaison personnel with OSI, which made their indiscreet inquiries even more noteworthy. About the same time independent information arrived from ZIPPKE that one of their people in this area bore a cover name similar to SCHMIDT, and worked with OSI as a liaison officer from the Kripo. BOB/CART attempted to ascertain locally the identities of any and all such Kripo personnel, but were told that this information could be obtained only directly from OSI. While the inescapable suspicion loomed on the horizon that SCHMIDT and the ZIPPKE

SECRET

agent were one and the same person, the express directions of Fullach prevented direct inquiries with GSI, until such time as revelations in the East press pointed out that CHIMPEL was in fact the true name of a KIPPEK agent in GSI. Permission was thereafter received to inform GSI of this undesirable situation, and as yet no further information has been forthcoming from that office concerning the ultimate disposition of the person in question.

5. On 21 January 1958 a CARBONATE reported sightfully that a recent paroled visitor to GAKOIT had requested advice concerning a dubious person who was at that time courting the visitor's sister-in-law. The person in question passes himself off as a doctor in a local hospital, but was influenced by alcoholic beverages to the point of confiding to his suitor that he was in reality a resident of West Berlin who traveled through the DDR and even into Poland "on secret missions". Instead of being impressed, his hosts were alarmed, and came straight to GAKOIT asking for advice. The request was then relayed by GAKOIT to his case officer, and checks have been instituted to determine who the man actually is, while CARBONATE regularly reports that the family in question is becoming more frantic in its appeals, for the good doctor is at the stage of proposing matrimony, and as yet the most satisfactory advice GAKOIT has been able to dole out is that all concerned postpone the nuptials until after the completion of some rudimentary investigation of the claims put forward by the suitor.

6. A matter which GAKOIT relayed to the appropriate PBMME authorities through official channels concerned a returnee from a camp in the USSR located near Petschorabekchan (German spelling), where an American is reportedly held. The returnee unfortunately knew few details concerning the identity of the person concerned, the reason why he was being detained, and so forth, but the meager data have been relayed for whatever use the local PBMME officials desire to make of them.

7. Quite a flurry was occasioned by the case of one Frau GAFRI (cover name), employed as a secretary in the GAKOIT establishment. Originally she came to the attention of her superiors as a direct result of her inappropriately showy clothing, dyed hair and flighty behavior, but there appeared no substantial grounds for taking further action against her other than the fact that some of the eastern Mitarbeiter were surely disturbed when they cast their eyes upon this apparition. Subsequently, however, it came to light that on two occasions she had reported in to work considerably earlier than required, and that on other occasions she had departed from the GAKOIT establishment with her briefcase, and then had met her gentleman friend for lunch. According to the mother of a different GAKOIT employee, GAFRI had upon one occasion passed some material from her briefcase to that of her friend, but there was nothing further to substantiate the possible suspicion that she might be engaged in illicit

activities. In order to forestall an precipitate departure on her part to the East, CARINA was requested to establish a surveillance and determine what she was doing, who her gentleman friend was, and other pertinent bits of information. In spite of a specific request that this surveillance be conducted in a discreet fashion, however, the police was fit to summon Frau CARINA on the grounds that certain investigations had to be made prior to her planned emigration to South Africa. It happened that her friend accompanied her to the police review, and was also interviewed. The police officer conducting the exchange confidentially informed Frau CARINA that there was some suspicion that she was entertaining contacts with the East, which understandably upset her equanimity. She came back a short time later to SA-BUNYAKA, asking where such an accusation could have originated, and revealed a solution herself when she mentioned that one of the black-garbed industrial policemen had seen her on several occasions and may have been overzealous in the pursuit of his duty. CARINA rapidly acquiesced, and let the matter drop, since it was still believed that her pending emigration to South Africa would become a reality. CARBOHYDRATE has lately reported, however, that her request for permission to emigrate has been refused, so it now appears she will be at CARBON until such time as suitable cause has been found for her discharge. In the meantime, traces have been initiated on her gentleman friend, in the slight hope that they might shed some additional light on this confused situation.

8. On 2 February 1954, CARBOHYDRATE reported for the first time that certain members of the Viderstandgruppe Brandenburg had appeared at CARBON to complain about shabby treatment they were allegedly receiving. The matter was thereafter discussed with [] the responsible case officer, and instructions were given to SA-BUNYAKA that he should simply advise them that they should be a bit more discreet in their walls of discontent, lest they endanger not only themselves, but other members of the unit who were also still residing in the FR or East Berlin. It was hoped that this sound advice would preclude further visits from these people, but they have been back on several occasions, and each time have shed bitter tears over the shoddy handling which has been meted out to them. Presently arrangements are being made to forestall further visits from these people to CARBON, and to arrange that some measure be taken to pacify these individuals. It is to be hoped that CARBOHYDRATE has seen the last of them, since their impertane visits serve only to discommod him and enlighten him concerning certain other operations conducted by SGB.

9. The meeting with SA-BUNYAKA on 2 February 1954 also produced the incipient flowering of a case which has occupied no small part of subsequent meetings, which has just now been brought to a close after considerable bickering over the methods to be employed.

a. On 29 January 1954 CARBOHYDRATE had actually mentioned the case of the two mailers, BUCHANAN and RUTHENBERG, and had stated that RUTHENBERG learned through an SFG friend that the SFG in turn knew of

SECRET

SECRET

CGRA- 12717

Page 5

the locations where CARROIT material was picked up by the responsible mailers. As a result, RUTHERFORD went to one such location and discovered that BUCHMANN picked up material and journeyed into East Berlin. RUTHERFORD followed him, and caused his apprehension by a Vofo Wachtmarsier, who believed that RUTHERFORD was an SFS officer. Thereupon the group adjourned to a small cafe, from which RUTHERFORD summoned his SFS friend. In the meantime, BUCHMANN had been complaining bitterly that he worked for the SFS in Schwerin, and that he had a telephone number in Berlin which would secure his immediate release if they would permit him to use it. After RUTHERFORD had allegedly suffered an ample quantity of this mailing, the SFS friend appeared and "verified" the "accuracy" of BUCHMANN's claims. Thereafter BUCHMANN was released, and RUTHERFORD hurried back to CARROIT to turn in a full report, and to request once again that he now be accepted for a position of more trust within the actual physical plant occupied by CARROIT.

b. After considerable discussion, instructions were given to CARROIT to fire BUCHMANN summarily, and string RUTHERFORD along only for the time being. However, on 5 February 1951, CARROITSAF reported that both LARSEN and WILSON objected to this method, and expressed a desire to conduct this case in a more positive and active manner. It was pointed out that the potential risks to CARROIT were far greater than any benefits which might accrue by such action, and eventually the situation resolved itself. For the immediate future, however, CARROIT had only been able to stall BUCHMANN, and had at the same time informed RUTHERFORD that a detailed FBI would have to be prepared and then submitted to CARROIT security personnel for verification.

c. On 9 February 1951 RUTHERFORD appeared with his completed FBI, and the information was then submitted for local checks to determine whether or not any additional information might be forthcoming. It was determined through Public Safety that RUTHERFORD had been most inaccurate in reporting his service with the Labor Unit, and that he had omitted salient details relating to his criminal record with the East Berlin police.

d. RUTHERFORD called in on several occasions to inquire about the progress of his background check, and was told that he would naturally be expected to submit the name of his SFS friend to CARROIT if he expected to enjoy their full confidence. He hesitated, and then stated he would have to discuss the matter with this friend, and that the results would be conveyed to CARROIT.

e. On the 16th of February BUCHMANN appeared and was thoroughly interrogated by CARROITSAF, but without much success. BUCHMANN admitted in each specific case where CARROITSAF could trip him up, that he had lied, but beyond that he would not reveal any item of information whatsoever. As a result, he was sent away with the rather empty admonition that

SECRET

if he ever came back C. BACHMANN would see that he received his just merits. Prior to his dismissal, there had been some talk of delivering the case to the West Berlin police, but C. BACHMANN had quashed this proposal on the grounds of adverse publicity and the fact that the admission that there had been another Spitzel in C. BACHMANN would cause queasy stomachs among those Mitarbeiter who still recall the SCHMIDT affair. As a result, BACHMANN was dismissed and told to seek employment elsewhere, while the case of BACHMANN dragged on.

f. Curiously enough, BACHMANN appeared the day before BACHMANN and anxiously inquired whether the latter had been back to C. BACHMANN. CARBONHYDRATE reported that BACHMANN was positively relieved to receive a negative answer, and it almost appeared as if BACHMANN were carrying out a mission assigned by the SED to ascertain whether or not BACHMANN was behaving as he had been ordered.

g. On 19 February 1958 BACHMANN appeared again to inquire concerning the progress of his case, and was told that while a large percentage of the background investigation had been carried out, it still remained obligatory for him to provide the name of the RFD friend if matters were to achieve a satisfactory conclusion.

h. On 23 February 1958 BACHMANN appeared once again and read from a piece of paper the name and description of his alleged RFD friend, whereupon CARBONHYDRATE, in accord with the plan worked out previously, told BACHMANN that information from other sources indicated that this whole story was a fabrication, whereupon BACHMANN burst into tears. Thereafter CARBONHYDRATE confronted him with the police records he had accumulated (including attempted suicide, misuse of official papers, swindle, etc.) and said that there did not appear to be any further grounds for collaboration. Upon the express direction of BACHMANN, however, CARBONHYDRATE held out the incentive for reinstatement to BACHMANN in the proposal that the latter bring his friend to West Berlin to meet C. BACHMANN representatives. BACHMANN glanced at the slip of paper bearing the name of his "friend" and announced that it said that this SED man could under no circumstances come to West Berlin, but that he would vouch for the safety of CARBONHYDRATE if the latter would care to journey to West Berlin for a brief rendezvous. BACHMANN declined with thanks, whereupon BACHMANN back-tracked somewhat and offered to bring the friend over to a spot near the sector boundary, provided CARBONHYDRATE, and preferably BACHMANN as well, should be there. CARBONHYDRATE countered that he would meet these representatives of the SED in some central location in West Berlin, but not near the sector boundary.

i. When word of this projected effort reached the ears of the case officers concerned, it was promptly and emphatically vetoed for obvious reasons, and CARBONHYDRATE was told to tell BACHMANN that C. BACHMANN

SECRET
[redacted]

had no further interest in the matter, should he call in with further enticing possibilities, and the "SIS officer" would be told to report his transgressions to the West Berlin police after which CADBURY might look further into the case.

9. Given the vast amount of time and fruitless effort which have been devoted thus far to the matter, it is the hope of all concerned that the case will present no further complications, and will be finally and decisively terminated should either A.C. HARRIS or the "SIS friend" report their presence to CADBURY or CADBURYHARTZ.

10. Turning back for a moment to a matter which preoccupied CADBURYHARTZ and has still to be felt in all its possible ramifications, it was reported by him on 13 February 1954 that HARRIS had hired two new persons to work for the International Congress of Jurists. These two men were not cleared first through CADBURYHARTZ, in spite of the fact that one works in the CADBURYHARTZ building, attends staff meetings, and has access to files and other materials, while the other occupies an important position connected with refugee processing. CADBURYHARTZ admitted at the meeting on 2 March that he had considerable reservation concerning JUNKER (cover name) and that he felt he could properly assume no responsibility for this man, since not even the most trifunctorial of checks were made before his employment. Such a situation can of course occur, and Harrison is presently engaged in clarifying the matter with HARRIS, in order to prevent a recurrence and at the same time to look more closely at the two men involved, in order to arrive at a more satisfactory estimate of their capabilities and suitability for CADBURY employment.

11. As reported in D.K.M.-2874 (1 March 1954) a certain Annales KASILY reported to CADBURY that the personnel had attempted to recruit her to deliver a letter to one Georg DASILY (phonetic) who defected in about 1947, and now lives in the Soviet area. She had maintained a liaison with him for some time prior to his defection and was briefly incarcerated following his departure. After her release, she was contacted only sporadically, until in January of this year the KGB requested that she take a letter to DASILY allegedly from his parents, begging him to return home. She was also to convey the oral message that he would be immune to any form of punishment provided he undertook in the meantime to penetrate Vlasov remnants and KGB agencies. DASILY reportedly wants no part of the arrangement, and plans to accept the funds from the KGB, then flee to West Berlin with her son, where he shall be in a position to talk briefly with her. Thereafter she will be released to pass on to her relatives in Western Germany, and such information as she is able to supply will be duly reported for all interested parties.

12. Summarizing the activity for the period covered by this progress report, it might be stated that CADBURYHARTZ continues to perform his functions vis-a-vis his case officer in a satisfactory manner, although the undersigned feels that there is considerably more to be gained from

SECRET
SIS

~~SECRET~~

LOHA- 12717
Page 8

him, once certain difficulties have been overcome. One of the principal tasks is to dissipate the lamentable tendency of his superiors to consider him a control mechanism installed in order to pry into their activities and report it back to his case officers, which is hardly accurate. At the same time it leads to ill feelings, and makes the position of CANDIDATE a most difficult one at all times, and nearly impossible when he finds himself the victim of a disagreement at higher echelons.

13. The cases summarized in this report aims strengthen the impression that CANDIDATE could be run in a manner which would be far more expeditious and beneficial to CANDIDATE security, in order to eliminate the obvious inefficient handling which results from these conditions:

a. On frequent occasions the CANDIDATE case officer is unable to be present for actions, and in order to keep him fully informed a memorandum must be prepared and submitted before he can in turn take the requisite action with other members of the CANDIDATE staff. Such a system obviously occasions lapses of time when they are most undesirable, yet is required in order to maintain a written record of the security problems which are constantly raised by CANDIDATE.

b. CANDIDATE very often feels strongly the precariousness of his own position, since he is in essence an intermediary who stands to suffer from both sides if his recommendations are not very carefully handled. Not only do other members of the CANDIDATE staff resent his detailed investigation of security matters, but they have at times even gone to the point of countervailing direct instructions given to CANDIDATE by his case officers.

c. The fact that basically two case officers are handling CANDIDATE does not militate towards any real certainty in his mind concerning his own position, his own precipitate actions within the framework of the CANDIDATE organization, and his relationship to the case officer concerned.

14. Weighing the evidence contained in the preceding paragraphs along with the recently formulated proposals for a definite concentration of CANDIDATE effort to its primary function as an offensive weapon against opposition intelligence services, it is felt that the immediate transfer of CANDIDATE to exclusive DIA/DO/CANDIDATE case officer control (as recommended in ref case "H" above) has many points in its favor. Basically, such a transfer will prove the operating efficiency of CANDIDATE and make him responsible to a case officer who is intimately familiar with all the security ramifications of the CANDIDATE project. It will also eliminate the lapse between receipt of information by the CANDIDATE case officer and the execution of necessary action by the DIA/DO/CANDIDATE case officer. Further, once the same case officer is sectioning all persons with CANDIDATE who do have operational contacts with KUBARK personnel, it will enable a tighter rein

~~SECRET~~

SECRET
SAC-12717
Page 9

to be kept on potential sources of compromise, and preclude misunderstandings which often arise from statements that are of necessity relayed from CARBONATE to the CARBONATE case officer by memorandum. And lastly, such a transfer will ultimately effect the change which CARBONATE believes essential to the future conduct of its mission: the relegation of the basic security responsibility for any project to the case officer concerned, and the reverting of the CARBONATE section primarily to its function in the realm of operational security as an advisory staff which may be called upon when specific points arise, but which should in no way attempt to involve itself in the daily conduct of operations originating from other sections.

15. In view of the foregoing circumstances and pursuant to LNU-38914, it is planned that the CARBONATE section will turn over CARBONATE to exclusive CARBONATE/CARBONATE control within the immediate future.

SECRET
MR/awp

SECRET
35-1003-2187